

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL
City of Rialto, acting as Successor Agency to the
Redevelopment Agency
RIALTO HOUSING AUTHORITY**

**MINUTES
January 27, 2015**

A regular meeting of the City Council of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, January 27, 2015.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Robertson called the meeting to order at 5:00 p.m.

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The roll was called and the following were present: Mayor Deborah Robertson, Mayor Pro Tem Palmer, Council Members Joe Baca Jr., Ed Scott and Shawn O'Connell. Also present were City Administrator Michael Story, City Attorney Fred Galante and City Clerk Barbara McGee.

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CLOSED SESSION

1 Conference with Legal Counsel - Existing Litigation: The City Council will discuss the following pending litigation (s) pursuant to Government Code Section 54956.9(d)(1):

(a) Geoffrey Barrett v. City of Rialto WCAB CR-14-005019

(b) Steve Cunningham v. City of Rialto WCAB CR-14-005033

(c) City of Colton v. American Promotional Events, Inc. et al

CD Cal Case No. ED CV 09-01864 PSG(SSx) and consolidated cases

2 Conference with Legal Counsel - Anticipated Litigation: Initiation of litigation pursuant to Paragraph (4) of Subdivision (d) of Government Code Section 54956.9. Number of cases: One case.

3 Conference with Real Property Negotiator. The City Council will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8 and 54956.9

Property: APN# 0240-241-10, 38, and 56

Northwest Corner of Baseline Road & Laurel Ave. City Negotiator: Robb R. Steel-Asst. CA/Development SVS. Dir. Negotiating Parties: San Gabriel Valley Water Company

Under Negotiation: Price & terms-Acquisition of Portion of Property

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Motion by Mayor Pro Tem Palmer, second by Council Member Baca Jr., and carried by unanimous vote to go into Closed Session at 5:05 p.m. and returned at 5:50 p.m.

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CALL TO ORDER

Mayor Robertson called the meeting to order at 6:02 p.m.

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The roll was called and the following were present: Mayor Robertson, Mayor Pro Tem Palmer, Council Members Ed Scott, Joe Baca Jr. and Shawn O'Connell. Also present were City Administrator Michael Story, City Clerk Barbara McGee and City Attorney Fred Galante.

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Pledge of Allegiance and Invocation

Mayor Pro Tem Joe Baca Jr. led the pledge of allegiance and Pastor Harry Bratton, Greater Faith Grace Bible Church gave the Invocation.

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City Attorney's Report on Closed Session

City Attorney Galante stated that City Council met in Closed Session and discussed all the items listed under Closed Session on the Agenda.

1a. Geoffrey Barrett v. City of Rialto. A Workers Compensation matter. City Council provided direction and no reportable action was taken.

1b. Steve Cunningham v. City of Rialto. A Workers Compensation matter. City Council provided direction and no reportable action was taken.

1c. City of Colton v. American Promotional Events, Inc. et al. City Council heard an update on the status of the settlement discussions. No further reportable action was taken.

2. Conference with City Council. Anticipated litigation: initiation of litigation. One case under the Housing Authority and Successor Agency. Motion by RHA Member Palmer, second by RHA Member O'Connell and carried by unanimous vote to initiate legal action if necessary against the Department of Finance to protect the Housing Authority's interests under dissolution legislation.
3. City Council heard a discussion with Real Property Negotiator. Regarding the property described at the Northwest corner of Baseline Road and Laurel Avenue. With the San Gabriel Valley Water Company. City Council provided direction and no further reportable action was taken.

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PRESENTATIONS **PROCLAMATIONS**

1. Proclamation-100th Anniversary of Kiwanis-Mayor Deborah Robertson
2. Presentation-Village Post Offices-Rialto Postmaster Ron Hogan and Supervisor Gary Rico
3. Presentation-Recognition of Explorer Academy Graduates and Volunteer Leaders-Fire Chief Mat Fratus

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ORAL COMMUNICATIONS

June Hayes, P.O. Box 2395, acknowledged the police officer who assisted her friend's nervous mother at a sobriety checkpoint.

She thanked Sunshine Haven, Fontana Animal Control Jamie Simmons and Fish and Wildlife for helping to catch a raccoon with severe distemper.

She thanked building and safety for helping her with a permit when she changed out her electrical panel.

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David Phillips, 659 N. Teakwood, the Rialto Community Coalition is holding a Strategic Planning Retreat on February 21. They will be looking at the problems in Rialto and coming up with organized solutions.

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Rick Smith, VP of Operations – Veolia, announced their first Community Open House on February 21st, 10am-2pm. This will be an opportunity for the community to learn more about water conservation, water treatment, city's household hazardous waste and the important capital projects that are moving the city forward.

Veolia is partnering with the Rialto Unified School District to host two STEM education sessions for 400 5th graders on February 20th.

Veolia will be sponsoring three winners from the community science fair being held on February 18th. Youth from K-12 from the RUSD will be awarded a Science Medal of Excellence, a \$500 scholarship and recognized at the community open house.

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Consideration of Removing or Continuing Items

Council Member Palmer requested that Item C.1 be voted on separately.

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City Attorney Galante requested that Item E.4 be pulled for a separate vote to add some additional language.

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City Administrator Story requested that TAB 4 be removed from the Agenda until February 10th.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

B.1 Resolution No. 26 (01/16/15)

B.2 Resolution No. 26A(01/16/15)

B.3 Resolution No. 27 (01/23/15)

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C. APPROVAL OF MINUTES

C.1 Regular City Council Meeting - January 13, 2015

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D. SET PUBLIC HEARINGS

D.1 Request City Council to Set a Public Hearing for February 24, 2015, to Consider the Placement of Liens for Delinquent Refuse Collection Accounts for the 3rd Quarter of the 2014 Calendar Year.

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E.1 Request City Council to Authorize Release of a Request for Proposals for the Peer Review of a Supplemental Environmental Impact Report (SEIR) for the Proposed Revisions to the Renaissance Specific Plan.

E.2 Request City Council to Approve the Lease Agreement with Bethany Presbyterian Church for the Community Garden Project.

E.3 Request City Council to Receive and File the Statement of Income and Expenses related to Airport Escrow Account for December 2014.

E.4 Request City Council to Approve 2015 Investment Policy.

CONSENT CALENDAR

- E.5 Request City Council to Approve the Construction Plans and Contract Specifications and to Authorize the Release of Request for Bids No.15-050 for the Rialto Airport Demolition - Phase 2, City Project No. 130704.
- E.6 Request City Council to Accept Release of All Limitations on the Use, Encumbrance, and Conveyance of the Rialto Municipal Airport subject to compliance with the FAA Escrow Agreement and the Rialto Airport Transfer Legislation (Public Law 109-59).
- E.7 Request City Council to Approve a Memorandum of Understanding Between the City of Rialto and the Rialto Family Health Services that Would Provide Office Space for the Implementation of Expungement Services of Criminal Records Out of the Rialto Community Center and Waiving Rental Fee.
- E.8 Request City Council to Approve travel and training request for Mayor Deborah Robertson to attend the National League of Cities Congressional City Conference in Washington, DC, March 7-11, 2015.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to approve the Consent Calendar with the exception of Item C.1 and Item E.4.

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ITEM C.1

Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by a 4-1 vote to approve Consent Calendar Item C.1. Council Member Palmer voted No.

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Item E.4

City Attorney Galante stated that item is to approve the 2015 Investment Policy. The language to be added to the investment policy, page 7, following the existing language in the last bullet point that begins with "Ineligible improvements are..."

"Special circumstances arise that necessitates the purchase of securities beyond the five (5) year limitation by three (3) to six (6) months to maximize return on investment. On occasion, time is of the essence due to market deadlines for making such investment purchases, making obtaining prior approval from City Council impractical and resulting in the loss of an investment opportunity. Therefore, the Treasurer is authorized to make Suitable Investments as described in this Investment Policy, not to exceed six (6) months beyond the five (5) year limitation, provided such investment is also authorized under State law, with the prior notification to and acknowledgement of the City Administrator; and in his absence the City Finance Manager. Further notification will be given in the form of a report to the City Council at the next regularly scheduled City Council Meeting following the purchase of any securities beyond the five (5) year limitation, for City Council acknowledgement and acceptance."

CONSENT CALENDAR

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City Treasurer Carrillo stated there were circumstances where some of the investments by going beyond the five years by three to six months, would give them a greater return on their investment. Because of the timing of the market to be able to make those purchases, it's impractical to wait for the next City Council Meeting to approve, by then the investment is long gone. The language they worked on, with Council approval, to allow him to go up to at least six months in some of those circumstances with the City Administrator being advised and his acknowledgement and in his absence it would be the Finance Manager. Then they would come back to City Council and advise that the investment was made.

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Council Member Palmer left the dais at 6:56 p.m. and returned at 6:58 p.m.

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Council Member O'Connell thanked the City Treasurer for doing a great job investing and keeping City Council updated.

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Motion by Council Member O'Connell, second by Council Member Scott and carried by unanimous vote to approve Consent Calendar Item E.4.

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TAB 1 – Annexation No. 170 for Lytle Creek Ranch Specific Plan Neighborhoods 2 and 3

Gina Gibson, Senior Planner, Development Services Department, presented the staff report regarding initiation of the application process for Annexation No. 170 with the San Bernardino County Local Agency Formation Commission (LAFCO) to annex Lytle Creek Ranch Specific Plan Neighborhoods 2 and 3 from the Rialto sphere of influence in unincorporated San Bernardino County to the City of Rialto.

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Mayor Robertson declared the public hearing open.

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Oral Communications

Lynn Boshart, 5529 Larch Ave., Why has the project been reduced to only Neighborhoods II & III? How can you approve annexing only two sections of a project that was passed as four?

It appears that you are piecemealing the project, which is a direct contradiction of the City's Statement of Overriding Considerations, which relied on several benefits that are only provided if the entire project is annexed and developed.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Oral Communications

Lynn Boshart stated additionally, the revetment was to be built across neighborhoods 4, 3 & 2. Previously, all sites were considered together as important to the development only if the revetment extended from Neighborhood 4 all the way down and through N. II. Thus, how can N II & N III be built if the portion of the revetment in N IV isn't to be constructed?

The new projected number of dwelling for only N. II & III is 6,260. According to the Southern California Association of Governments' Regional Housing Needs Assessment, the need for additional housing in Rialto from 2014 to 2023 has dropped dramatically from 4,323 to only 2,715 needed units.

It appears that even this truncated project would overbuild by 3545 units.

In the documents supplied for your approval of this annexation, many goals were listed.

Goal 2-14: Protect scenic vistas and scenic resources.

Policy 2-14.1: Protect views of the San Gabriel and San Bernardino Mountains by ensuring that building heights are consistent with the scale of surrounding, existing development.

Would those goals of protecting views of the mountains include the surrounding, existing development of El Rancho Verde homes, as many of them currently have those views?

Consistency Analysis

The visual character of the important viewsheds would generally retain their scenic integrity. The background vistas of the San Gabriel and San Bernardino Mountains will not be obscured by development in the Lytle Creek Specific Plan area.

Will views be obscured for any home outside of the area? Are existing homeowners adjacent to the Lytle Creek Specific Plan going to lose their viewsheds of scenic integrity?

Goal 2-24: Take advantage of opportunities to increase and enhance open spaces throughout Rialto.

Policy 2-24.1: Identify and explore opportunities for acquisition of land in the Lytle Creek floodplain and fault-impacted areas for use as open space, parkland, or recreational areas.

Certainly, those lands should have been purchased already, especially if they are included in the areas of annexation. Or have they? What is the guarantee that those lands are purchaseable? Isn't this an overriding consideration to the annexation of N II & N III?

Goal 2-39: Conserve and enhance Rialto's biological resources.

Policy 2-39.1: Protect endangered, threatened, rare, and other special status habitat and wildlife species within and along Lytle Creek by working with the United States Wildlife Service and the California Department of Fish and Game to establish Natural Community Conservation Plans, Habitat Conservation Plans (HCP), or other established biological resource protection mechanisms within this sensitive area.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Oral Communications

Policy 2-39.2: Pursue open space, wildlife corridors, or conservation easements to protect sensitive species and their habitats.

The open space, wildlife corridor of Lytle Creek is already established. Annexing the lands into Rialto, building in the Lytle Creek Floodplain would NOT protect endangered, threatened, rare and other special status habitat and wildlife species within and along Lytle Creek. Restricting structures in N II & N III to outside FEMA'S One Hundred Year Flood Zone would go a long way toward maintaining Lytle Creek's threatened habitat and preserve the wildlife corridor that currently exists. Pulling the development back to behind FEMA's One Hundred Year Flood Zone would also result in a reduction of dwellings closer to the amount that the Regional Housing Needs Assessment projects and remove the requirement for a revetment.

Are you sure you have all the facts on this project? Remember the mysterious arrival of the warehouse above the 15 Frwy in N. I.

Hasn't the purpose of the project changed with the annexation of only a portion of the larger project? Will this change the mitigation for the unavoidable consequences? Are N I and N IV ever to be annexed?

How can floodwaters be held back if the revetment doesn't go from mile 1 above the I-15 to mile 7 ½ below El Rancho Verde Golf Course?

Lastly, this project isn't the one you all demanded, no insisted be approved.

Won't you need to inform the US Army Corps of Engineers that there has been a change of focus, direction, and purpose with the annexation of only two neighborhoods? Shouldn't they be informed that the permit application would now only apply to a portion of the project?

If you haven't any answers to my questions, well then maybe you should postpone this resolution and take another look at what is really being proposed. Maybe you should spend time walking in Lytle Creek Wash in both Neighborhoods II & III to assess just what is there and what would be lost.

I am happy to be your guide in both Neighborhoods.

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Motion by Council Member Palmer, second by Council Member Scott and carried by unanimous vote to close the public hearing.

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Council Member Scott asked what was the reason for excluding Neighborhoods 1 and 4.

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Gina Gibson, Senior Planner stated that according to the applicant, the reason for excluding neighborhoods 1 and 4 were due to provision of services. In neighborhoods 1 and 4 they were unsuccessful in their speaking with LAFCO to show they can provide fire protection in those areas.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Gina Gibson, Senior Planner stated they opted to take out neighborhoods 1 and 4 in order to continue with the plan for services. It was LAFCO's recommendation.

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Council Member Scott asked what is their intention to do with neighborhoods 3 and 4?

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Gina Gibson, Senior Planner stated that it would remain in Rialto's sphere of influence but in the unincorporated area. To be developed within San Bernardino County.

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Council Member Scott asked as what?

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Gina Gibson, Senior Planner stated at this time the only development that the City is aware of is the warehouse that was mentioned by Ms. Boshart. If there are any additional development plans that are still active have yet to come to the City of Rialto for review.

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Council Member Scott stated that he tends to agree with Ms. Boshart that it's inconsistent with what their original approval was and the original plan on this.

He is surprised that the maps were not shown publically so both the audience and the community could see those. This is an item that has come to City Council a number of times and it's very controversial. He thinks in the era of transparency, they should have been showing the areas so the audience and community can see them. He is concerned that there appears to be a change in the overall project that is not consistent with what the City originally approved.

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Council Member Palmer asked if there was any change on the project of neighborhoods 2 and 3 other than what they previously approved?

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Gina Gibson, Senior Planner stated no, this request is to file the annexation with LAFCO. The City Council and City of Rialto still before any development will take place is still and entitlement project that is subject to City Council authority.

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Council Member Palmer stated that it's his understanding that they are still involved with the Army Corp of Engineers, Fish and Wildlife on all the projects there.

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**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Gina Gibson, Senior Planner stated that is correct.

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Council Member Palmer stated that it seems to him that this project has been going on for the 6 six years he's been on City Council. The applicant has gone through numerous lawsuits. Expended millions of dollars defending himself on a project that this City needs as another development in the City to bring them to another level. He is prepared to go forward with this.

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Mayor Pro Tem Baca Jr. stated they will remove items 1 and 4. One of the things they had originally talked about was a new school and the trigger for when the parks get developed. Does this change the dynamic?

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Gina Gibson, Senior Planner stated that there is a Development Agreement and so the school and park would still be a part of the approval process as stipulated by the City Council.

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Mayor Pro Tem Baca Jr. stated that it was mentioned in regards to safety, neighborhoods 1 and 4 not being annexed because of a safety issue or fire service?

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Gina Gibson, Senior Planner stated that was LAFCO's direction to the applicant, was in order to provide services they would need to take out neighborhoods 1 and 4.

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Mayor Pro Tem Baca Jr. stated that he wants to make sure that if this is approved are they are guaranteeing safety for neighborhoods 2 and 3. Will they have adequate fire service in the proposed plan without annexing 1 and 4.

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Gina Gibson, Senior Planner stated there would be adequate fire protection services and again, the plan for service outlines that. Fire Chief Fratus, City Attorney and executive staff reviewed that same question to make that determination that the answer is yes.

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Mayor Pro Tem Baca Jr. asked the Fire Chief how can they adequately respond to that? Are they relying on their fire station in the north end to respond to this? Neighborhoods 2 and 3.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Mayor Pro Tem Baca Jr. stated that that biggest question has been with fire services. A lot of the calls are in the south end. Are they going to have the ability to respond to areas 2 and 3?

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Fire Chief Fratus stated that geographically, he believes they will. The reason he says this is because currently it is being served by city fire services through an agreement with San Bernardino County. If they received a call up there today, Rialto would be responding to it. As it develops over time, if there is an increase in the population that could call for an increase in their ambulance services. Which is another element that they did make note of. As it is right now, geographically, where the station is located they can cover it.

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Mayor Pro Tem Baca Jr. asked the Police Chief if they could adequately respond to this area. What would they have to do differently? Would they have to hire more officers to respond to areas 2 and 3?

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Police Chief Farrar stated that for the initial 2 phases, they would not. Again, as the areas are populated they would have to increase staffing.

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Mayor Pro Tem Baca Jr. asked what is the cost benefit, \$2 million in UUT? What is the cost benefit of annexing versus not annexing? The original plan versus this alternative plan?

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Gina Gibson, Senior Planner stated that in the staff report it just talks about neighborhoods 2 and 3.

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Robb Steel, Development Services Director stated that neighborhoods 1 and 4 weren't really high producers for the City. One was primarily residential which generally cost more to serve than it generates in revenues. Neighborhood 4 had a little bit of commercial so there was a little bit of positive but the net back to the City was minimal by dropping off 1 and 4 in terms of the fiscal impact. They can't see from the report that the annexation area they broke it out by the total project versus the annexation area. The annexation area is mostly residential so they will see that it doesn't generate a huge return to the City. When they look at the total project it does produce a positive fiscal impact.

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Mayor Pro Tem Baca Jr. asked between 1 and 4 will they receive impact fees if the county does develop there? What is their intent?

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**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Gina Gibson, Senior Planner stated that right now only the industrial building is already constructed. On the portions there hasn't been an entitlement application that the City is privy to at the moment. Should it be developed then they would have to go through the normal CEQA process and the City of Rialto because it's in the sphere of influence.

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Robb Steel, Development Services Director stated that they might receive their share of fees through the CEQA process but they wouldn't realize the development impact fees that the city project would pay.

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Mayor Robertson stated with regards to notification to other regulatory agencies. She would assume that this going through the annexation process still has to go before LAFCO. She would assume that they would be aware of exactly the proposals or the subsequent proposal that deviates from the original. Just to get a concurrence other than a nodded head, what is their process usually in addition to this coming before them? It will go before LAFCO, and they have to decide if they are going to grant the annexation. Usually regulatory agencies that would have some concerns would be notified as well. Who has that responsibility?

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Gina Gibson, Senior Planner stated that it's LAFCO. This action this evening is just to initiate that process as one of the items in the submittal packet. Then LAFCO would be the lead agency and they have their own notification and public hearing process. The applicant would need to successfully complete in order for the neighborhoods to actually be annexed.

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Mayor Robertson stated that she is concerned about the things they talked about in the whole specific plan. The open space, the parks, the added possible educational facilities. She does agree with Council Member Scott, it would have been nice to at least show a map. She is looking at one in the package and looking at it at an angle. Trying to get her bearings to the annexation portions. The part that is already in the City of Rialto. Then in relationship to what was being proposed. It's a little difficult to see it as well as the parks. They had it zoned for residential but she thought there was some areas for commercial strips. Along the fronts or adjacent to neighborhood 3. She is not seeing that. The zoning, they would see and what was proposed for 2 and 3 would bring other services to the area besides residential. That is not changing?

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Gina Gibson, Senior Planner stated that is correct.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

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Mayor Robertson stated that as Mayor Pro Tem Baca Jr. mentioned, it's in neighborhood 4 they had also seen commercial/industrial zoning.

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Robb Steel, Development Services Director stated that there was a small commercial element.

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Mayor Robertson stated that stays outside in the unincorporated area. Will the zones be able to change? If it does who gives the clearance to change the zoning currently in place?

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Gina Gibson, Senior Planner stated for any zoning changes in neighborhoods 1 and 4 that would be the County of San Bernardino. They would have to because it's in Rialto's sphere of influence. They would have to entertain comments from the City of Rialto.

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Mayor Robertson stated for the purpose of this discussion, is really to keep the integrity of what she thinks they thought was the primary things they were concerned within neighborhood 2 and 3. At this point that has not changed.

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Gina Gibson, Senior Planner stated that is correct, the zoning and the land uses for neighborhood 2 and 3 have not changed. The mitigation measures that are required as part of the CEQA process will also still be applicable. CEQA by law, there is a threshold set in 2010 to do the 4 neighborhoods, allows them to do less but not more. So the CEQA document does stand and actually any changes if they were to go over the 4 neighborhoods they would have to re-do the CEQA document and have it be a part of the application package for LAFCO. A CEQA document that covers all four neighborhoods but the two are still incorporated and documented. Another example, if they have a warehouse building and its 2 million square feet. If the building is constructed and comes out to 1.7 million square feet then the CEQA document still covers that development.

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Council Member Scott stated the former golf course. Do they know what the applicant is proposing to do with that? They said the zoning would be up to the County of San Bernardino in Neighborhoods 1 and 4, which means they could build whatever they want to build even though they would impact the city greatly. Rialto would have, other than comments to make, very little decision in what they do in those areas.

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**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Gina Gibson, Senior Planner stated in having very little decision, they would have to approach it the same way they do for the City of Colton or City of Riverside if they are going to develop something that will have an impact on Rialto. Then Rialto would comment on their CEQA document and then if the impacts were great especially in terms of traffic which she does recall the City Council having great concern over that and the type and quality of development. Then Rialto would challenge their CEQA document and City Council would direct staff to do so. That would be how Rialto would make an impact and have an effect on what kind of zoning goes on forth, but it is in the County's jurisdiction.

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Council Member Scott stated which could require litigation?

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Gina Gibson, Senior Planner stated that is correct.

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Council Member Scott stated and the answer to the golf course?

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Gina Gibson, Senior Planner stated that the golf course as shown in the specific plan is still deemed to be open space and residential development and that is not changing.

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Council Member Scott asked if this item can be postponed for a couple of weeks. He agrees with Council Member Palmer that the applicant probably needs to move forward. There are questions he has and there has been no meetings from staff to Council regarding this until they saw it on the Agenda on Thursday. This is a huge project for the City. He is uncomfortable voting for it right now before he has questions answered.

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Mayor Robertson stated that Council Member Scott came back the first meeting in December. She can't recall if this item came before EDC prior to scheduling the public hearing?

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Gina Gibson, Senior Planner stated that coming before EDC would have been 2 years ago. It took Lytle a little bit of time to get their application in. It has not come before the EDC in the last 6-8 months.

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Mayor Robertson stated that she would be open to entertaining the postponement. She would like to know if they postpone it, when is the next meeting of LAFCO?

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

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Gina Gibson, Senior Planner stated that LAFCO meets on a quarterly basis so the next meeting will be in March. Even if it was submitted now it still would take the summer or fall meeting before LAFCO would take action on it. This action by City Council is required to just submit the application.

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Mayor Robertson stated if they do postpone it at least to the next City Council Meeting, the first meeting in February, she would hope that they would take the time to address the comments by Ms. Boshart. She would like for the broader public to understand how they go about getting their housing element allocations and responsibilities. This project one of a couple of projects that is supposed to help them meet their housing obligations. If it agreeable with everyone to postpone?

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Council Member Palmer stated that he is opposed to continuing this item. It's a limited action they are taking tonight, so LAFCO can get the annexation process going. He doesn't think it's prudent for them to wait and make the applicant wait.

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Mayor Robertson stated that the next meeting for LAFCO is in March. Is there anyone there who may want to speak on behalf of the developer?

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City Attorney Galante stated that they would need to re-open the public hearing to take the testimony.

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Motion by Council Member Scott, second by Council Member O'Connell and carried by unanimous vote to re-open the public hearing.

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Kevin Lynch, Representative of Lytle Development, stated they are annexing the major portion of the project 2 and 3 into the City of Rialto. That was by far the biggest portions of the project. Neighborhoods 1 and 4, the uses are intended to be the same, they just had a problems with their services. So they are still planning on developing those under the same uses they have in the specific plan. As far as the permitting process they are working with the Corp. and Fish and Wildlife and the Regional Water Quality Control Board for the past 2 years. They are fully aware of the whole project. There is really nothing changed in the product other than due to service issue, pulling neighborhoods 1 and 4 out of the city and leaving it in the county.

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**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Council Member Scott asked what would be their objection to holding this over for two more weeks?

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Kevin Lynch, Representative of Lytle Development, stated that they have been going through this process for years and years. He thought they were open on the fact of neighborhoods 1 and 4, they have been working with city on the plan for service. They went with neighborhoods 2 and 3. They initiated the plan for service over a year ago.

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Council Member Scott asked when was the last time this came to City Council?

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Kevin Lynch, Representative of Lytle Development, stated when the project was approved two years ago.

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Council Member Scott asked then what would be the harm in waiting two more weeks?

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Kevin Lynch, Representative of Lytle Development, stated he guesses it would be no harm. It's just that nothing is really changed and they would prefer to get it approved.

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Council Member Scott stated but something has changed and that is taking these two neighborhoods into the county which concerns him as a council member and a resident of this city. Frankly, the County doesn't always do anything in the best interest of any city it represents. They are difficult to work with and while they may be able to object to some through the CEQA process. The reality is the only way they are going to be able to overturn it or change anything is if you as the developer try to change something is to take you to court. That is not something they want to do. He's asking for two more weeks to fully understand and meet with staff. They have a lot of people on projects here tonight, that when they bring a project forward they meet with Council Members so they fully understand stuff. This was put on the Agenda on Thursday night with no warning. He hasn't heard from anybody on staff or Lytle asking if council has questions. He doesn't think two more weeks is unreasonable.

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Council Member O'Connell stated that he is not opposed to holding it for two weeks to get the questions answered. One of the things he has done in the past is if he has questions, he doesn't ask them from the dais. He goes to the department heads on Monday before the meeting so they can move things forward.

**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Council Member O'Connell stated that ideally, for himself is that he would go to the department himself prior to the meeting to get the questions answered. Is there any benefit to holding it for two more weeks?

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City Attorney Galante stated that the public hearing is still open. If the desire of the City Council are to continue it to a date certain like in two weeks. His suggestion is to keep the public hearing open so that if additional testimony is required they wouldn't have to re-notice and send out those notices.

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Mayor Robertson stated that she hears from Mr. Steel that the net value versus the impact to the City to provide services, nothing is really gained yet. What I'm concerned with is as activities and where they go, they tend to develop out faster than the other aspects of a project. This is the constant struggle for her in explaining to the community is why things are not moving in the community but projects seem to move faster outside of the city limits. Things seem to get developed in the unincorporated areas and the County seems to move things along. Point being that when they discovered that while they were still dealing with the broader specific plan of all four neighborhoods the County had apparently let a project to allow for a big industrial project over on west side of the 15 freeway. She wants to know, at one point they saw value in the reason to keep neighborhood 1 and 4 as part of whole annexation. Mr. Steel kind of beat her into understanding assessed value and going for things that have become improvements. It generally generates something to them. Property, taxes, and other things long term. She hasn't had time to weigh what is the trade off. She doesn't think two weeks is unreasonable for this item.

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Kevin Lynch, Representative of Lytle Development, stated that the industrial building was built under the Lytle Creek North Specific Plan which was approved in 2005 before the Lytle Creek Ranch Specific Plan.

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Mayor Robertson stated that it may have been approved under the plan with the County but it was still part of the neighborhood 4 area.

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Robb Steel, Development Services Director stated that it was part of their original specific plan.

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**TAB 1 – Annexation No. 170 for
Lytle Creek Ranch Specific Plan
Neighborhoods 2 and 3**

Mayor Pro Tem Baca Jr. stated that he is in support of the project but he wants to make sure some questions are answered before the move forward. So he is not opposed to waiting. He wants to make sure, there was a retail piece, was it in neighborhood 1 and 4?

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Gina Gibson, Senior Planner stated that there was a small retail piece in 1 and 4 but the majority is in 2 and 3.

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Council Member Scott stated when it comes back can they get put on the screen?

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Gina Gibson, Senior Planner stated absolutely.

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Robb Steel, Development Services Director stated that it looks like they will need to bring back the development agreement to refresh their memories. They did contemplate the annexation of just neighborhood 2 and 3 because they foresaw there might some service delivery issue with the county. The agreement self-adjusts for the exclusion of neighborhood 1 and 4.

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Kevin Lynch, Representative of Lytle Development, stated that was discussed in the pre-annexation having just neighborhood 2 and 3. They knew they had the service issues at that point. This is not a complete shock to everybody. They did have provisions in the Development Agreement for neighborhood 2 and 3 by itself.

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Robb Steel, Development Services Director stated that he was acknowledging that and will bring it back as part of the package so they will have that information as well.

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City Administrator Story stated like Council Member Scott said they will make sure they have the PowerPoint. He asked Ms. Boshart to provide her comments to the City Clerk so they can address them. Mr. Steel is right regarding the Development Agreement it's been over 2 years and they need to bring some of these things back as a refresher.

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Mayor Robertson asked as a point of clarification, they did agree to open the public hearing?

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TAB 1 – Annexation No. 170 for Lytle Creek Ranch Specific Plan Neighborhoods 2 and 3

City Attorney Galante stated right. The motion that was made was correct to keep the public hearing open and move it to a date certain which is two weeks from today.

So it's his understanding that there was underline motion and he didn't hear a second.

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Motion by Council Member Scott, second by Mayor Robertson and carried by a 4-1 vote to keep the public hearing open, and to continue TAB 1 until the February 10th City Council Meeting. The vote was: AYES: Mayor Robertson, Mayor Pro Tem Baca Jr., Council Member Scott, and Council Member O'Connell NOES: Council Member Palmer. ABSTAIN: none. ABSENT: none.

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TAB 2 – Environmental Assessment Review No. 14-71 – Bottling Facility

Gina Gibson, Senior Planner presented the Environmental Assessment Review No. 14-71, an Addendum to the adopted Renaissance Specific Plan Environmental Impact Report to consolidate eleven (11) parcels of land into one (1) 35.829 net acre parcel of land to facilitate the development of a 596,749 square foot bottling facility.

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Mayor Pro Tem Baca Jr. left the dais at 7:46 p.m. and returned at 7:49 p.m.

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Council Member Palmer left the dais at 7:49 p.m. and returned at 7:51 p.m.

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Mayor Robertson declared the public hearing open.

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Robb Steel, Development Services stated that this is the first of two transactions for land that was formerly part of the Rialto Airport. There is a land sales component that will come back to City Council. They not only enjoy the benefits of the use of the property they are also benefitting as land owners.

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Brian Hess, Niagara Bottling, gave a PowerPoint presentation in support of the project.

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City Attorney Galante stated that Ms. Gibson mentioned adding an indemnification clause. Generally, what they require of any applicant is if the City is challenged that the applicant agreed to indemnify the City for whether it be CEQA or any other land use approval challenge. Any objection to adding that language?

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Brian Hess, Niagara Bottling, stated no objection.

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David Phillips, 659 N. Teakwood, expressed his concerns with adding too much warehouse in the north end which is supposed to be the City's jewel. He is excited to see Niagara to come to this community. He expressed his concern regarding the truck drivers who run through the lights. He invited Niagara to be a part of National Night Out.

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Motion by Council Member Palmer, second by Mayor Pro Tem Baca Jr. and carried by unanimous vote to close the public hearing.

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Mayor Pro Tem Baca Jr. stated that he appreciates Niagara for bringing this project forward. He still has concerns about the amount of industrial that will go there. He met with Lewis-Hillwood and they are aggressively going after retail which is important to this community. He wants to make it clear also the need to sit down restaurants. Even though this is a great project he wants to continue to make that a priority to bring retail into the City. In regards to the Niagara project, City of Rialto has an opportunity to become a part of economic expansion. So this is not just moving a company but adding, so Rialto is part of economic growth. The second thing is that Niagara is willing to do a job fair in Rialto. When they look at the development standards they are willing to go above and beyond to make a good product for the City, something visually pleasing to the community.

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Council Member Scott stated that he too had questions about this project and had similar concerns. One of his big concerns what the water supply and where they are getting the water from. Niagara reached out and contacted him and he met with two representatives from Niagara. He got his questions answered and the ones they couldn't answer they sent to him in an email. That is the kind of communication as council members would want to have with people coming to the City and wanting to do business or develop. He was pleased with the response. He too thinks they are a great asset for the City.

Regarding warehouses in general and landscaping, he drove that area and dismayed at what he saw around the Target warehouse. He doesn't think when they sat at EDC and talked to them about landscaping that was what they envisioned. In comparison, the Panattoni project are beautiful and they have done a great job. They need to raise the standards for landscaping.

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**TAB 2 – Environmental
Assessment Review No. 14-71 –
Bottling Facility**

Gina Gibson, Senior Planner stated that they will bring in representatives from Target to talk about the landscaping. They have had some complaints. The development standards are identical.

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Council Member O'Connell stated that he agrees with his fellow council members comments and appreciates the fact that Niagara reached out and talked to all of City Council. The investments they are putting into the City and the company is very impressive. The gross income to the City as well as their community initiatives he appreciates that. They talked about eventually getting a sales desk so they can generate some revenue for the City. He would love to see them work on a partnership if there is ever a crisis to look at getting access to resources they might have on scene for the benefit of the community. He had asked them how the City did with customer service. They are trying to be business friendly. Niagara raved about Ms. Gibson, Mr. Steel, and Mr. Lantz. He wants to say Development Services is doing an amazing job and appreciates the fact that Niagara had a lot of good things to say.

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Council Member Palmer stated that it was refreshing that Niagara spent the time meeting with each Council Member and the Mayor. The fact that its family owned just makes it more special to them. Rialto is a small enough community that they feel like a family too.

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Mayor Robertson stated that she appreciates Brian coming to speak with her and bring in the level of enthusiasm about their business and the fact that they want to come to Rialto. The company has been awarded under the Governor's GoBiz for working and attracting business. Only five companies were awarded in San Bernardino County. Niagara was not only one of them but the top one. They received the top amount of recognition in terms of tax credits through the GoBiz Program of over \$2.7 million recognizing that their investment is going to bring over 409 jobs and that the investment improvements estimated at \$132 million. It wasn't just coming here and saying they want to put in a plant. They went out to see what they can do to help bring things back. Rialto ended up on the top of the list of a competitive process for getting some tax credits. They also talked about 110 full time jobs in the beginning for the first phase. She commended staff and especially Ms. Gibson for working on this.

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**TAB 2 – Environmental
Assessment Review No. 14-71 –
Bottling Facility**

Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to approve Resolution No. 6688 for Environmental Assessment Review No. 14-71, an Addendum to the adopted Renaissance Specific Plan Environmental Impact Report to consolidate eleven (11) parcels of land into one (1) 35.829 net acre parcel of land to facilitate the development of a 596,749 square foot bottling facility. In addition to the added condition of the indemnification language subject to the approval form of the language by the City Attorney.

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**TAB 3 – Environmental
Assessment Review for
Addendum to the Renaissance
Specific Plan**

Gina Gibson, Senior Planner presented the staff report regarding Environmental Assessment Review No. 14-73, an Addendum to the Renaissance Specific Plan Environmental Impact Report for the construction of a 1,070,320 square foot distribution center.

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Mayor Pro Tem Baca Jr. left the dais at 8:34 p.m. and returned at 8:39 p.m.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to open the public hearing.

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Todd Kiehn, Manager of Real Estate Operations Medline Industries, Inc., thanked staff for helping them through this process while sticking to the letter of the law. He gave an overview of the project.

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John Magness, Hillwood, stated that they have had a 10 year relationship with Medline and expressed what a great project for the Renaissance Center.

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David Phillips, 659 N. Teakwood, expressed his concern regarding this project near the Flores Park neighborhood and truck traffic concerns and having to wait 10 years for a point of sale.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by unanimous vote to close the public hearing.

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Mayor Robertson stated that she had raised the issue of having the point of sale in 2025. They understood that it's already in place but wanting to make sure they made a reservation now that when this expires that the City of Rialto will look at receiving their share of point of sales. As they ink this agreement that it's a little clearer than just the "willingness" to discuss.

**TAB 3 – Environmental
Assessment Review for
Addendum to the Renaissance
Specific Plan**

Mayor Robertson stated that she will look to counsel and staff to make sure they have a little bit more definitive discussion than the “willingness”. She appreciates that someone crafted it to say that way. And if not then she would like to understand why can’t that be locked down for them to know, that if they are still in business in 2025/2026 in Rialto it will receive a point of sale for things moving out of that warehouse.

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City Attorney Galante stated that is an appropriate question to ask the applicant if they are interested.

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Gina Gibson, Senior Planner stated that earlier today at the Development Review Committee it’s been presented to the applicant as a draft condition but they haven’t had a chance to digest all conditions and sign the statement of acceptance. At the conclusion of their termination of their agreement with the City of Ontario that they would enter into an agreement with the City of Rialto as a point of sale for products distributed.

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Motion by Council Member O’Connell, second by Council Member Scott and carried by unanimous vote to re-open the public hearing.

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Todd Kiehn, Manager of Real Estate Operations Medline Industries, Inc., stated that he knows there were conversations that the intent is to work with the City once this contract they are currently under is finalized. They had discussions with the Economic Development team already preempting these meetings and discussions. Every step is being taken to bring it this direction. It business sense for them to have it under one roof. It’s not just a desire to move it there because they are being asked of it, it makes perfect sense to bring it under one roof.

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Mayor Robertson stated that she is very concerned because she raised it and know that staff has been sending her emails with regards to the tax accounting department not really being available to address it. Is there any additional language that creates other options beyond 2025 that was already inked? She would like to get this locked down.

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Todd Kiehn stated that he can’t speak to what is written in the contract but will make sure the tax department gets in touch.

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**TAB 3 – Environmental
Assessment Review for
Addendum to the Renaissance
Specific Plan**

Robb Steel, Development Services Director stated that they provided a copy of the agreement they have with Ontario. The agreement is with the Redevelopment Agency and as you know there are no more redevelopment agencies. The contract exists but it can't be extended beyond 2025.

There is one other aspect that they made a condition of approval, which will also apply to Niagara, to establish a purchasing corporation at the site. When they are buying significant amounts of equipment. Sometimes that's a taxable transaction that comes back to the point of origin. This is not in conflict with their existing agreement with Ontario.

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Motion by Council Member Scott, second by Council Member Palmer and carried by unanimous vote to close the public hearing.

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Council Member Scott thanked the representatives of Medline to discuss questions he had. There are \$4.25 million in one-time fees coming from this project. There are roughly \$326,000 in recurring revenue which include property tax. That is nothing to sneeze at. Not to mention the 280 full time jobs at an average of \$40,000 a year. Those employees will be shopping here whether they live here or not. That creates some sales tax revenue for the City even though they are not directly getting some from Medline. Mr. Phillips has some valid points about truck traffic. Can Ms. Gibson address whether or not they have devised a plan to bring trucks in one way and out the same way so they are not impacting neighborhoods?

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Gina Gibson, Senior Planner stated yes, the Transportation Commission took a detailed look at the truck trips and traffic generation for this project. They made sure to have truck entrances and exits separated from vehicle passenger trips. And to make sure all the improvements that were necessary in order to streamline traffic to keep it at acceptable level services are included in this project.

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Council Member Scott stated that in a residential project they include public safety. What is the mechanism that supports additional public safety personnel?

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Gina Gibson, Senior Planner stated in the development impact fees there is a section in the addendum that talks about services for fire and police. So the project and the one before is subject to payment of development impact fees that would help pay for services.

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**TAB 3 – Environmental
Assessment Review for
Addendum to the Renaissance
Specific Plan**

Robb Steel, Development Services Director stated that the \$326,000 mentioned is what is used to supplement the police and fire services.

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Council Member Scott stated that is important for the community to know that those are dollars that come to the General Fund that support police and fire. He hopes they are looking at some point as they projects complete of increasing budgets for public safety to bring in additional bodies and equipment to deal with traffic issues. There are big trucks going through residential neighborhoods. This is another great project coming to the City for jobs and revenue.

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Council Member Palmer stated that one of the most important part of this approval is the willingness to do the point of sale. He talked about this over the years when they do these warehouses.

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City Attorney Galante stated since that question has been raised a few times, as a land use entitlement there are certain challenges to requiring transferring the point of sale. But he did hear a willingness from the applicant to entertain some language. Along with the indemnification clause, the language that has the applicant work in good faith towards establishing the point of sale in the city.

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Council Member O'Connell stated that he would like to see as they go forward and they start getting the oil money and start decreasing the amount of UUT tax that residents have to pay, he would hope they would look at stabilizing the commercial aspect of sales tax. Right now they are paying a certain amount to come to the City.

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Mayor Robertson stated that she welcomes Medline's project. She is happy when she sees companies coming in and talking about fulltime jobs.

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Motion by Council Member Palmer, second by Council Member Scott, and carried by unanimous vote to approve Resolution No. 6689 for Environmental Assessment Review No. 14-73, an Addendum to the Renaissance Specific Plan Environmental Impact Report for the construction of a 1,070,320 square foot distribution center. Along with the amendments made by the City Attorney.

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TAB 4

This item was removed from the Agenda.

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TAB 5 – Construction Contract for Pepper Avenue and Baseline Road Traffic Signal Upgrade

Robb Steel, Development Services Director presented the staff report regarding Construction Contract to California Professional Engineering, Inc., in the amount of \$241,777.00 for the Pepper Avenue & Baseline Road Traffic Signal Upgrade Project, City Project No. 140818.

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Motion by Council Member Scott, second by Council Member Palmer and carried by unanimous vote to award the Construction Contract to California Professional Engineering, Inc., in the amount of \$241,777.00 for the Pepper Avenue & Baseline Road Traffic Signal Upgrade Project, City Project No. 140818.

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TAB 6 – Tire Service and Supplies

Robb Steel, Development Services Director presented the staff report regarding Contract Services Agreements to Parkhouse Tire, Inc. a California corporation and Daniel's Tire Service, a California corporation, for Tire and Related Accessories, Service and Supplies and Approve Goodyear and Bridgestone/Firestone as the City's Sole Source Vendors for Vehicle Tires.

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Council Member Scott stated that there were four bidders in this? How many companies were solicited?

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Suzanne Wilcox, Public Works stated that purchasing facilitated the bid and yes there were Rialto businesses that were solicited. There was one that elected not to bid and notified the City she is not aware of the reason.

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Council Member Scott stated that there are a lot of tire places in Rialto. Why can't they find a tire place in Rialto to sell them tires? Sometimes he has a feeling they don't do a good job at soliciting local businesses to bid. There is a local business they discussed on another item that has never been asked, even though she has asked to be put on the bid list. They need to find a better way of reaching out to local businesses and telling them what they have in the city and what they are qualified to be bidding on. This will help keep jobs and sales tax in the city.

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Council Member Palmer stated that he agrees with Council Member Scott. His thoughts went to the Goodyear tire dealer in Rialto. He called him and he said he did get a bid packet. He chose not to respond to the bid because he had a bad experience with the city. He has done other things and has been turned down. It's kind of a loss for the City. They really need to find out more why he didn't want to bid.

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TAB 6 – Tire Service and Supplies

Robb Steel, Development Services Director stated that they can postpone this and come back.

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Council Member Scott stated that if they need tires he is not saying they should postpone it. What he is saying is that they need to find a better system to reach out to local businesses that could be bidding on goods and services in the community that employ residents and bring sales tax. He knows a lot of business owners in the city and they don't get asked to bid on anything. They never even know when there are bids coming out. They just need to find a better way.

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Mayor Pro Tem Baca Jr. stated that they just all want to see local businesses get an opportunity to bid. He doesn't know if it's the bidding process itself and may be some of the smaller businesses don't have the sophistication to handle it or don't have the means to participate. A lot of times they want to participate but they don't understand the government process.

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Mayor Robertson stated that she has a concern with the report because they need to be consistent. She has seen reports were they talk about how many people were notified and how many responded back. She raised to Mr. Harris that there was another local business who made contact with Purchasing and put on the vendors list and was not notified 2-3 times when they did the flooring for the senior center. That bothers her because she really can't respond to what is going on. She can appreciate that they may have a preference for certain type of tires. She didn't understand why they needed to specify a sole source aspect when they went out to bid. And went out for companies to be able to provide on a specific product. Why did they put language that says it should be sole sourced?

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Suzanne Wilcox, Public Works stated that it was her understanding because they wanted to specify Firestone, Bridgestone and Goodyear tires that they needed to do the sole source process and present to City Council for approval of those brands. They are not specifying the vendors as a sole source just the brand of tires. The reason for that is because of the fleet management study that was done in 2006 recommended they limit stock and tires are an item they keep stocked at fleet.

Mayor Robertson stated that the term sole source is a little misleading. Usually when they are doing a sole source they giving something exclusive to a person not necessarily speaking to a product.

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TAB 6 – Tire Service and Supplies

Suzanne Wilcox, Public Works stated that it was the purchasing ordinance wording.

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City Attorney Galante stated that his understanding was that the reason for the sole source designation was that these tires perform better than others for safety and longevity. Generally you want to avoid limiting your options unless there are few makers of the quality the city is looking for. So the goal of limiting the sole source designation is a good one.

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Mayor Robertson asked if the length of the agreement is one year or five years?

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Suzanne Wilcox, Public Works stated that its one year, renewable up to 5 years.

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Mayor Robertson stated that this item was on City Council agenda back in November and doesn't know why it was pulled then. She wants to see what was the outreach. But if there is a need then she doesn't want to delay it.

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Suzanne Wilcox, Public Works stated that it's her understanding that the supply is low since they needed tires back in November. It could cause some issues with vehicle operation.

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Council Member Palmer stated that it's a one year contract and would like to see it go out to bid in a year and try to involve local businesses.

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Suzanne Wilcox, Public Works stated that this first segment would not be a full year. The contract is set to expire with the fiscal year. So they are looking at 6 months.

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Mayor Robertson stated with that she has a sense of comfort.

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Motion by Council Member Palmer, second by Council Member Baca Jr. and carried by unanimous vote to Award Contract Services Agreements to Parkhouse Tire, Inc. a California corporation in the amount of \$ 40,000 and Daniel's Tire Service, a California corporation, in the amount of \$40,000 for Tire and Related Accessories, Service and Supplies and Approve Goodyear and Bridgestone/Firestone as the City's Sole Source Vendors for Vehicle Tires. To expire at the end of the fiscal year on June 30, 2015.

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REPORTS

City Council gave their reports.

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ADJOURNMENT

Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to adjourn the City Council meeting at 9:49 p.m.

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